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DominionEnergy.com



May 23, 2019

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd Chief Clerk/Administrator Public Service Commission of South Carolina 101 Executive Center Drive Columbia, South Carolina 29210

RE: Revisions to Net Energy Metering Tariff for Dominion Energy South Carolina, Inc.

Docket No. 2019-___-E

Dear Ms. Boyd:

The purpose of this letter is to inform the Public Service Commission of South Carolina ("Commission") that Dominion Energy South Carolina, Inc. ("DESC" or "Company") has filed electronically using the Commission's ETariff System a copy of its "Rider to Retail Rates – Second Net Energy Metering for Renewable Energy Facilities ("NEM")" to show the closure of that tariff as discussed in Docket No. 2019-2-E. DESC has also provided to the appropriate Commission personnel for uploading to ETariff a copy of its "Rider to Retail Rates – Third Net Energy Metering for Renewable Energy Facilities ("NEM")" to reflect conforming changes as a result of South Carolina House Bill 3659, also known as the South Carolina Energy Freedom Act ("Act"), which was signed into law by the Governor on May 16, 2019.

"Rider to Retail Rates – Second Net Energy Metering for Renewable Energy Facilities ("NEM")"

Prior to May 16, 2019, S.C. Code Ann. § 58-40-20(B) provided that "[n]o electrical utility shall be required to approve any application for interconnection from net energy metering customer generators if the total rated generating capacity of all applications for interconnection from net energy metering customer generators already approved . . . equals or exceeds two percent of the previous five year average of the electrical utility's South Carolina retail peak demand" (the "2% net energy metering threshold"). In Docket No. 2019-2-E, Dominion Energy South Carolina, Inc. ("DESC" or "Company") informed the Public Service Commission of South Carolina ("Commission") that it anticipated achieving the 2% net energy metering ("NEM")

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threshold in April 2019. DESC further stated that it would continue to accept submitted NEM applications through May 3, 2019; that those submitted applications must be determined to be fully complete, including all paperwork and application fees submitted, by May 24, 2019; that all applications would be provided until July 26, 2019, to successfully pass through technical review and approval processes; and that all approved NEM systems must be interconnected within one year of their approval. See Direct Testimony of John H. Raftery, pp. 9-10, in Docket No. 2019-2-E. By letter dated May 16, 2019, in Docket No. 2014-246-E, DESC informed the Commission that it had achieved the 2.0% net energy metering threshold. DESC has not accepted NEM applications submitted after May 3, 2019.

Based on the foregoing, DESC hereby informs the Commission that DESC has renamed its existing "Rider to Retail Rates – Net Energy Metering for Renewable Energy Facilities ("NEM")" as "Rider to Retail Rates – Second Net Energy Metering for Renewable Energy Facilities ("NEM")" and revised the tariff to reflect its closure effective May 4, 2019. A clean copy of the tariff, as filed on the Commission's ETariff system, and a redlined copy showing the changes discussed herein are attached hereto.

"Rider to Retail Rates – Third Net Energy Metering for Renewable Energy Facilities ("NEM")"

The Act revised certain portions of Chapter 40 of Title 58 of the South Carolina Code of Laws Annotated, which govern net energy metering in South Carolina. More specifically, the Act revised the definition of "Customer-generator" in S.C. Code Ann. § 58-40-10(C) and deleted the existing provisions in S.C. Code Ann. § 58-40-20 in their entirety and replaced it with new provisions.

Among the provisions deleted and replaced was the 2.0% net energy metering threshold in the prior version of S.C. Code Ann. § 58-40-20(B). As revised, Section 58-40-20(B) now provides as follows:

An electrical utility shall make net energy metering available to all customer-generators who apply before June 1, 2021, according to the terms and conditions provided to all parties in Commission Order No. 2015-194. Customer-generators who apply for net metering after the effective date of this act but before June 1, 2021, including subsequent owners of the customer-generator facility or premises, may continue net energy metering service as provided for in Commission Order No. 2015-194 until May 31, 2029.

For customer-generators applications received after May 31, 2021, the Act requires that the Commission establish a "solar choice metering tariff." S.C. Code Ann. § 58-40-20(F)(1).

To conform to the Act, DESC has revised its old "Rider to Retail Rates – Net Energy Metering for Renewable Energy Facilities ("NEM")" and renamed it "Rider to Retail Rates – Third Net Energy Metering for Renewable Energy Facilities ("NEM")." The conforming tariff revisions are as follows:

- 1. In the "Availability" Section, DESC has added the phrase "who applies for NEM service from May 17, 2019, through May 31, 2021" to conform to the above-quoted language from new S.C. Code Ann. § 58-40-20(B). DESC has also eliminated the 2% net energy metering threshold language to conform with the Act's deletion of that threshold in old S.C. Code Ann. § 58-40-20(B).
- 2. In the "Definitions" Section, DESC has amended the definition of "Customer-generator" to conform to the Act's revision of that definition in S.C. Code Ann. § 58-40-10(C).
- 3. In Paragraph 3 of the "General Provisions" Section, DESC has replaced "December 31, 2025" with "May 31, 2029" to conform to the above-quoted language from new S.C. Code Ann. § 58-40-20(B). To avoid customer confusion, DESC has also deleted the phrase "entered under the terms of S.C. Code Ann. § 58-40-20(F)(4)" as that provision was deleted entirely by the Act.
- 4. In Paragraph 4 of the "General Provisions" Section, DESC has replaced "January 1, 2021, or after statutory caps described in S.C. Code Ann. § 58-39-130 have been reached, whichever occurs first" with "June 1, 2021" to conform to the above-quoted language from new S.C. Code Ann. § 58-40-20(B) and the new S.C. Code Ann. § 58-40-20(F)(1).
- 5. In Paragraph 6 of the "General Provisions" Section, DESC has replaced "elect" with "apply for" and "January 1" with "May 31" to conform to new S.C. Code Ann. § 58-40-20(F)(1).

This conforming tariff is to be effective for bills rendered on and after May 16, 2019, the effective date of the Act. A clean copy of the "Rider to Retail Rates – Third Net Energy Metering for Renewable Energy Facilities ("NEM")," as provided to the appropriate Commission personnel to upload to the ETariff system, and a redlined copy showing the conforming changes discussed above are attached hereto.

DESC asserts that the revisions shown in the redlined versions of the "Rider to Retail Rates – Second Net Energy Metering for Renewable Energy Facilities ("NEM")" and "Rider to Retail Rates – Third Net Energy Metering for Renewable Energy Facilities ("NEM")" will not harm any customers, does not require a determination of the entire rate structure and overall rate of return, and does not result in any rate increase to the Company. Therefore, if the Commission determines that approval of the conforming changes is required, DESC respectfully requests that the Commission review the attached "Rider to Retail Rates – Second Net Energy Metering for Renewable Energy Facilities ("NEM")" and "Rider to Retail Rates – Third Net Energy Metering for Renewable Energy Facilities ("NEM")" and approve them without notice and hearing.

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By copy of this letter, we are serving counsel for the South Carolina Office of Regulatory Staff with the Company's request.

Thank you for your time and consideration. If you have any questions or concerns, please do not hesitate to contact us.

Very truly yours,

Matthew W. Gissendanner

MWG/kms Enclosures

cc: Dawn M. Hipp

Jeffrey M. Nelson, Esquire

(both via electronic mail and First Class U.S. Mail w/enclosure)

SECOND NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM") (Page 1 of 4)

AVAILABILITY

Effective May 4, 2019, this rider is closed and not available to any new participants. This rider terminates effective December 31, 2025, for all existing participants. After the termination date, rider participants may choose to receive service under any other schedule for which they qualify.

This rider is available in conjunction with the Company's Retail Electric Service Rates, for a Customer-Generator. The customer's generating system must be manufactured, installed and operated in accordance with governmental and industry standards and must fully conform with the Company's current interconnection standards as approved by the Public Service Commission of South Carolina.

This rider is available on a first come, first serve basis until the total nameplate generating capacity of net energy metering systems equals 2% of the previous five-year average of the Company's South Carolina retail electric peak demand.

CHARACTER OF SERVICE

The applicable character of service is specific to the rate schedule that the customer receives service under.

RATE PER MONTH

The applicable rate per month shall be from the appropriate rate schedule as referenced in the availability section above. The monthly bill shall be determined as follows:

For electric service under a time-of-use rate schedule:

- 1. The basic facilities charge shall be determined and billed as set forth in the applicable rate schedule as described in the Availability section above.
- 2. Any demand charges shall be determined and billed as set forth in the applicable rate schedule as described in the Availability section above.
- 3. If a customer-generator's energy consumption exceeds the electricity provided by the customer-generator during a monthly billing period, the customer-generator shall be billed in kWh for the net electricity supplied by the Utility.

If a customer-generator's energy generation exceeds the electricity provided by the Utility during a monthly billing period, the customer-generator shall be credited for the excess kWh generated during that billing period.

Energy charges (or credits) shall be based on the rates in the applicable rate schedules as described in the availability section above. For on-peak energy, the customer's monthly usage amount in kilowatt-hours shall be reduced by the total of (a) any on-peak excess energy delivered to the Company in the current month plus (b) any accumulated on-peak excess energy balance remaining from prior months. Total on-peak energy in kilowatt-hours billed to customers shall never be less than zero. For off-peak energy, the customer's monthly usage shall be reduced by the total of (a) any off-peak excess energy delivered to the Company in the current month plus (b) any accumulated off-peak excess energy balance from the current month or prior months that was not used to reduce on-peak usage. Total off-peak energy in kilowatt-hours billed to customers shall also never be less than zero. For any billing month during which excess energy exceeds the customer's usage in total, producing a net credit, the respective energy charges for the billing month shall be zero. Any excess energy credits shall carry forward on the following month's bill by first applying excess on-peak kWh against on-peak kWh charges and excess off-peak kWh against off-peak kWh charges, then applying any remaining on-peak kWh against any remaining off-peak kWh charges. Credits shall not offset the basic facilities charge or the demand charge for the applicable rate schedule.

4. Excess energy not used in the current billing month to reduce billed kWh usage shall be accumulated and used to reduce usage in future months. For all affected billing statements rendered during November billing cycles, any accumulated excess energy not used to reduce billed kWh usage shall be paid to the customer-generator at the Company's avoided cost, zeroing out the customer generator's account of excess energy. The avoided cost is the off-

SECOND NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM") (Page 2 of 4)

peak winter energy credit as approved in the Company's Rate PR-1, Small Power Production and Cogeneration schedule.

For electric service under a standard, non time-of-use rate schedule:

- 1. The basic facilities charge shall be determined and billed as set forth in the applicable rate schedule as described in the Availability section above.
- 2. Any demand charges shall be determined and billed as set forth in the applicable rate schedule as described in the Availability section above.
- 3. If a customer-generator's energy consumption exceeds the electricity provided by the customer-generator during a monthly billing period, the customer-generator shall be billed in kWh for the net electricity supplied by the Utility.

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MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge plus the demand charge, if any, as stated in the applicable rate.

- 1. Customer-Generator means the owner, operator, lessee, or customer-generator lessee of an electric energy generation unit which:
 - (A) generates electricity from a Renewable Energy Resource;
 - (B) has an electrical generating system with a capacity of:
 - (i) not more than the lesser of one thousand kilowatts (1,000 kW AC) or one hundred percent (100%) of contract demand if a non-residential customer; or
 - (ii) not more than twenty kilowatts (20 kW AC) if a residential customer;
 - (C) is located on a single premises owned, operated, leased, or otherwise controlled by the customer;
 - (D) is interconnected and operates in parallel phase and synchronization with an electrical utility and complies with the applicable interconnection standards;
 - (E) is intended primarily to offset part or all of the customer-generator's own electrical energy requirements; and
 - (F) meets all applicable safety, performance, interconnection, and reliability standards established by the commission, the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the federal Energy Regulatory Commission, and any local governing authorities.
- 2. Renewable Energy Resource means solar photovoltaic and solar thermal resources, wind resources, hydroelectric resources, geothermal resources, tidal and wave energy resources, recycling resources, hydrogen fuel derived from renewable resources, combined heat and power derived from renewable resources, and biomass resources.

SECOND NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM") (Page 3 of 4)

- 3. Retail Electric Service Rates shall mean Rates 1, 2, 3, 5, 6, 7, 8, 9 (metered), 11, 12, 13, 14, 16, 20, 21, 21A, 22, 23, 24, and 28.
- 4. Excess energy delivered to the Company shall be defined as energy produced by the customer's renewable energy generating facility that exceeds the energy delivered by the Company during a given time period. This excess energy shall be used to reduce energy delivered and billed by the Company during the current or a future month, as provided in the Rate Per Month section above.
- 5. The On-Peak and Off-Peak periods shall be defined in the applicable time-of-use rate schedules.

- To qualify for this rider, the customer must first qualify for and be served on one of the rate schedules as described in the availability section above. The customer must also meet all other qualifications as outlined in the availability section above.
- All provisions of the applicable rate schedules described above including, but not limited to Billing Demand, Determination of On- and Off-Peak Hours, Adjustment for Fuel Costs, Demand Side Management Component, Pension Costs Component, Storm Damage Component, Sales and Franchise Tax, Payment Terms, and Special Provisions will apply to service supplied under this rider.
- 3. Customers electing service under this NEM Rider are eligible to remain on the Rider until December 31, 2025, or until such time as the customer elects to terminate service under the Rider, whichever occurs first. The rates set forth here are subject to Commission Order No. 2015-194 in Docket No. 2014-246-E entered under the terms of S.C. Code § 58-40-20(F)(4). Eligibility for this rate will terminate as set forth in Order No. 2015-194. The value of distributed energy resource generation shall be computed using the methodology contained in Commission Order No. 2015-194 in Docket No. 2014-246-E and updated annually coincident in time with the Company's filing in the fuel clause. The value for the period May 2018 April 2019 is \$0.03264 per kWh.
- Service on this NEM Rider will be closed to new participants as of January 1, 2021, or after statutory caps described in S.C. Code Ann. § 58-39-130 have been reached, whichever occurs first.
- 5. When no contract demand level is available for a non-residential customer, connected load as determined by the Company shall be used as a proxy for contract demand when determining the capacity of the electrical generating system.
- 6. Customers who elect NEM service after January 1, 2021, will receive service in accordance with the NEM tariff in effect at the time at which the customer requests NEM service.
- Customers served under this rider are not eligible for the Company's Small Power Production, Cogeneration Rate PR-1.
- 8. The customer must execute an application to interconnect generation and an interconnection agreement prior to receiving service under this rider.
- 9. The Company will retain ownership of Renewable Energy Credits ("RECs").
- 10. In the event the Company determines that it is necessary to increase the capacity of facilities beyond those required to serve the Customer's electrical requirement or to install a dedicated transformer or other equipment to protect the safety and adequacy of electric service provided to other customers, the Customer shall pay the estimated cost of the required transformer or other equipment above the estimated cost which Company would otherwise have normally incurred to serve the Customer's electrical requirement, in advance of receiving service under this Rider.

SECOND NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM") (Page 4 of 4)

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

METERING REQUIREMENTS

Customer must furnish, install, own, and maintain a meter socket to measure 100% of the Customer's generator output and that is connected on the Customer's side of the delivery point. Company will furnish, install, own, and maintain a generation meter. Company will also furnish, install, own and maintain a bi-directional billing meter to measure the kWh delivered from Company to Customer and to measure kWh received from Customer by Company. The billing meter will be configured for demand and/or time-of-use measurement as required by the applicable rate. All metering shall be at a location that is approved by the Company. At Company's sole option, the generator meter requirement may be waived for customers served under a net metering rider on or before December 31, 2015.

TERM OF CONTRACT

Contracts shall be for a period not to exceed the term of the contract under which the customer currently receives electric service. There shall be a separate contract for each meter at each location.

GENERAL TERMS AND CONDITIONS

SECOND NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM") (Page 1 of 4)

AVAILABILITY

Effective May 4, 2019, this rider is closed and not available to any new participants. This rider terminates effective December 31, 2025, for all existing participants. After the termination date, rider participants may choose to receive service under any other schedule for which they qualify.

This rider is available in conjunction with the Company's Retail Electric Service Rates, for a Customer-Generator. The customer's generating system must be manufactured, installed and operated in accordance with governmental and industry standards and must fully conform with the Company's current interconnection standards as approved by the Public Service Commission of South Carolina.

This rider is available on a first come, first serve basis until the total nameplate generating capacity of net energy metering systems equals 2% of the previous five-year average of the Company's South Carolina retail electric peak demand.

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SECOND NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM")

(Page 2 of 4)

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The monthly minimum charge shall be the basic facilities charge plus the demand charge, if any, as stated in the applicable rate.

- 1. Customer-Generator means the owner, operator, lessee, or customer-generator lessee of an electric energy generation unit which:
 - (A) generates electricity from a Renewable Energy Resource;
 - (B) has an electrical generating system with a capacity of:
 - (i) not more than the lesser of one thousand kilowatts (1,000 kW AC) or one hundred percent (100%) of contract demand if a non-residential customer; or
 - (ii) not more than twenty kilowatts (20 kW AC) if a residential customer:
 - (C) is located on a single premises owned, operated, leased, or otherwise controlled by the customer;
 - (D) is interconnected and operates in parallel phase and synchronization with an electrical utility and complies with the applicable interconnection standards;
 - (E) is intended primarily to offset part or all of the customer-generator's own electrical energy requirements; and
 - (F) meets all applicable safety, performance, interconnection, and reliability standards established by the commission, the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the federal Energy Regulatory Commission, and any local governing authorities.
- 2. Renewable Energy Resource means solar photovoltaic and solar thermal resources, wind resources, hydroelectric resources, geothermal resources, tidal and wave energy resources, recycling resources, hydrogen fuel derived from renewable resources, combined heat and power derived from renewable resources, and biomass resources.

SECOND NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM") (Page 3 of 4)

- 3. Retail Electric Service Rates shall mean Rates 1, 2, 3, 5, 6, 7, 8, 9 (metered), 11, 12, 13, 14, 16, 20, 21, 21A, 22, 23, 24, and 28.
- 4. Excess energy delivered to the Company shall be defined as energy produced by the customer's renewable energy generating facility that exceeds the energy delivered by the Company during a given time period. This excess energy shall be used to reduce energy delivered and billed by the Company during the current or a future month, as provided in the Rate Per Month section above.
- 5. The On-Peak and Off-Peak periods shall be defined in the applicable time-of-use rate schedules.

- To qualify for this rider, the customer must first qualify for and be served on one of the rate schedules as described in the availability section above. The customer must also meet all other qualifications as outlined in the availability section above.
- 2. All provisions of the applicable rate schedules described above including, but not limited to Billing Demand, Determination of On- and Off-Peak Hours, Adjustment for Fuel Costs, Demand Side Management Component, Pension Costs Component, Storm Damage Component, Sales and Franchise Tax, Payment Terms, and Special Provisions will apply to service supplied under this rider.
- 3. Customers electing service under this NEM Rider are eligible to remain on the Rider until December 31, 2025, or until such time as the customer elects to terminate service under the Rider, whichever occurs first. The rates set forth here are subject to Commission Order No. 2015-194 in Docket No. 2014-246-E entered under the terms of S.C. Code § 58-40-20(F)(4). Eligibility for this rate will terminate as set forth in Order No. 2015-194. The value of distributed energy resource generation shall be computed using the methodology contained in Commission Order No. 2015-194 in Docket No. 2014-246-E and updated annually coincident in time with the Company's filing in the fuel clause. The value for the period May 2018 April 2019 is \$0.03264 per kWh.
- 4. Service on this NEM Rider will be closed to new participants as of January 1, 2021, or after statutory caps described in S.C. Code Ann. § 58-39-130 have been reached, whichever occurs first.
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- 6. Customers who elect NEM service after January 1, 2021, will receive service in accordance with the NEM tariff in effect at the time at which the customer requests NEM service.
- Customers served under this rider are not eligible for the Company's Small Power Production, Cogeneration Rate PR-1.
- 8. The customer must execute an application to interconnect generation and an interconnection agreement prior to receiving service under this rider.
- 9. The Company will retain ownership of Renewable Energy Credits ("RECs").
- 10. In the event the Company determines that it is necessary to increase the capacity of facilities beyond those required to serve the Customer's electrical requirement or to install a dedicated transformer or other equipment to protect the safety and adequacy of electric service provided to other customers, the Customer shall pay the estimated cost of the required transformer or other equipment above the estimated cost which Company would otherwise have normally incurred to serve the Customer's electrical requirement, in advance of receiving service under this Rider.

SECOND NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM") (Page 4 of 4)

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

METERING REQUIREMENTS

Customer must furnish, install, own, and maintain a meter socket to measure 100% of the Customer's generator output and that is connected on the Customer's side of the delivery point. Company will furnish, install, own, and maintain a generation meter. Company will also furnish, install, own and maintain a bi-directional billing meter to measure the kWh delivered from Company to Customer and to measure kWh received from Customer by Company. The billing meter will be configured for demand and/or time-of-use measurement as required by the applicable rate. All metering shall be at a location that is approved by the Company. At Company's sole option, the generator meter requirement may be waived for customers served under a net metering rider on or before December 31, 2015.

TERM OF CONTRACT

Contracts shall be for a period not to exceed the term of the contract under which the customer currently receives electric service. There shall be a separate contract for each meter at each location.

GENERAL TERMS AND CONDITIONS

THIRD NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM")
(Page 1 of 4)

AVAILABILITY

This rider is available in conjunction with the Company's Retail Electric Service Rates, for a Customer-Generator, who applies for NEM service from May 17, 2019, through May 31, 2021. The customer's generating system must be manufactured, installed and operated in accordance with governmental and industry standards and must fully conform with the Company's current interconnection standards as approved by the Public Service Commission of South Carolina.

This rider is available on a first some, first serve basis until the total nameplate generating capacity of net energy metering systems equals 2% of the previous five year average of the Company's South Carolina retail electric peak demand.

CHARACTER OF SERVICE

The applicable character of service is specific to the rate schedule that the customer receives service under.

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- 3. If a customer-generator's energy consumption exceeds the electricity provided by the customer-generator during a monthly billing period, the customer-generator shall be billed in kWh for the net electricity supplied by the Utility.

If a customer-generator's energy generation exceeds the electricity provided by the Utility during a monthly billing period, the customer-generator shall be credited for the excess kWh generated during that billing period.

Energy charges (or credits) shall be based on the rates in the applicable rate schedules as described in the availability section above. For on-peak energy, the customer's monthly usage amount in kilowatt-hours shall be reduced by the total of (a) any on-peak excess energy delivered to the Company in the current month plus (b) any accumulated on-peak excess energy balance remaining from prior months. Total on-peak energy in kilowatt-hours billed to customers shall never be less than zero. For off-peak energy, the customer's monthly usage shall be reduced by the total of (a) any off-peak excess energy delivered to the Company in the current month plus (b) any accumulated off-peak excess energy balance from the current month or prior months that was not used to reduce on-peak usage. Total off-peak energy in kilowatt-hours billed to customers shall also never be less than zero. For any billing month during which excess energy exceeds the customer's usage in total, producing a net credit, the respective energy charges for the billing month shall be zero. Any excess energy credits shall carry forward on the following month's bill by first applying excess on-peak kWh against on-peak kWh charges and excess off-peak kWh against off-peak kWh charges, then applying any remaining on-peak kWh against any remaining off-peak kWh charges. Credits shall not offset the basic facilities charge or the demand charge for the applicable rate schedule.

4. Excess energy not used in the current billing month to reduce billed kWh usage shall be accumulated and used to reduce usage in future months. For all affected billing statements rendered during November billing cycles, any accumulated excess energy not used to reduce billed kWh usage shall be paid to the customer-generator at the Company's avoided cost, zeroing out the customer generator's account of excess energy. The avoided cost is the off-peak winter energy credit as approved in the Company's Rate PR-1, Small Power Production and Cogeneration schedule.

THIRD NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM")
(Page 2 of 4)

For electric service under a standard, non time-of-use rate schedule:

- The basic facilities charge shall be determined and billed as set forth in the applicable rate schedule as described in the Availability section above.
- 2. Any demand charges shall be determined and billed as set forth in the applicable rate schedule as described in the Availability section above.
- 3. If a customer-generator's energy consumption exceeds the electricity provided by the customer-generator during a monthly billing period, the customer-generator shall be billed in kWh for the net electricity supplied by the Utility.

If a customer-generator's energy generation exceeds the electricity provided by the Utility during a monthly billing period, the customer-generator shall be credited for the excess kWh generated during that billing period.

Energy charges (or credits) shall be based on the rates in the applicable rate schedules as described in the availability section above. For purposes of calculating monthly energy, the customer's usage shall be reduced by the total of (a) any excess energy delivered to the Company in the current month plus (b) any accumulated excess energy balance remaining from prior months. Total energy in kilowatt-hours billed to customers shall never be less than zero. For any billing month during which excess energy exceeds the customer's usage in total, producing a net credit, the respective energy charges for the billing month shall be zero. Credits shall not offset the basic facilities charge or the demand charge for the applicable rate schedule.

4. Excess energy not used in the current billing month to reduce billed kWh usage shall be accumulated and used to reduce usage in future months. For all affected billing statements rendered during November billing cycles, any accumulated excess energy not used to reduce billed kWh usage shall be paid to the customer-generator at the Company's avoided cost, zeroing out the customer generator's account of excess energy. The avoided cost is the off-peak winter energy credit as approved in the Company's Rate PR-1, Small Power Production and Cogeneration schedule.

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge plus the demand charge, if any, as stated in the applicable rate.

- Customer-Generator means the owner, operator, lessee, or customer-generator lessee of an electric energy generation unit which:
 - (A) generates or discharges electricity from a Renewable Energy Resource, including an energy storage device configured to receive electrical charge solely from an onsite Renewable Energy Resource;
 - (B) has an electrical generating system with a capacity of:
 - (i) not more than the lesser of one thousand kilowatts (1,000 kW AC) or one hundred percent (100%) of contract demand if a non-residential customer; or
 - (ii) not more than twenty kilowatts (20 kW AC) if a residential customer;
 - (C) is located on a single premises owned, operated, leased, or otherwise controlled by the customer;
 - (D) is interconnected and operates in parallel phase and synchronization with an electrical utility and complies with the applicable interconnection standards:
 - (E) is intended primarily to offset part or all of the customer-generator's own electrical energy requirements; and
 - (F) meets all applicable safety, performance, interconnection, and reliability standards established by the commission, the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the federal Energy Regulatory Commission, and any local governing authorities.
- 2. Renewable Energy Resource means solar photovoltaic and solar thermal resources, wind resources, hydroelectric resources, geothermal resources, tidal and wave energy resources, recycling resources, hydrogen fuel derived from renewable resources, combined heat and power derived from renewable resources, and biomass resources.

THIRD NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM")
(Page 3 of 4)

- 3. Retail Electric Service Rates shall mean Rates 1, 2, 3, 5, 6, 7, 8, 9 (metered), 11, 12, 13, 14, 16, 20, 21, 21A, 22, 23, 24, and 28.
- 4. Excess energy delivered to the Company shall be defined as energy produced by the customer's renewable energy generating facility that exceeds the energy delivered by the Company during a given time period. This excess energy shall be used to reduce energy delivered and billed by the Company during the current or a future month, as provided in the Rate Per Month section above.
- 5. The On-Peak and Off-Peak periods shall be defined in the applicable time-of-use rate schedules.

- To qualify for this rider, the customer must first qualify for and be served on one of the rate schedules as described in the availability section above. The customer must also meet all other qualifications as outlined in the availability section above.
- All provisions of the applicable rate schedules described above including, but not limited to Billing Demand, Determination of On- and Off-Peak Hours, Adjustment for Fuel Costs, Demand Side Management Component, Pension Costs Component, Storm Damage Component, Sales and Franchise Tax, Payment Terms, and Special Provisions will apply to service supplied under this rider.
- 3. Customers electing service under this NEM Rider are eligible to remain on the Rider until December May 31, 2025 2029, or until such time as the customer elects to terminate service under the Rider, whichever occurs first. The rates set forth here are subject to Commission Order No. 2015-194 in Docket No. 2014-246-E-entered under the terms of S.C. Code § 58-40-20(F)(4). Eligibility for this rate will terminate as set forth in Order No. 2015-194. The value of distributed energy resource generation shall be computed using the methodology contained in Commission Order No. 2015-194 in Docket No. 2014-246-E and updated annually coincident in time with the Company's filing in the fuel clause. The value for the period May 2018 April 2019 is \$0.03264 per kWh.
- Service on this NEM Rider will be closed to new participants as of January 1, 2021, or after statutory caps described in S.C. Code Ann. § 58-39-130 have been reached, whichever occurs firstJune 1, 2021.
- 5. When no contract demand level is available for a non-residential customer, connected load as determined by the Company shall be used as a proxy for contract demand when determining the capacity of the electrical generating system.
- Customers who electapply for NEM service after January 1May 31, 2021, will receive service in accordance with the NEM tariff in effect at the time at which the customer requests NEM service.
- Customers served under this rider are not eligible for the Company's Small Power Production, Cogeneration Rate PR-1.
- 8. The customer must execute an application to interconnect generation and an interconnection agreement prior to receiving service under this rider.
- 9. The Company will retain ownership of Renewable Energy Credits ("RECs").
- 10. In the event the Company determines that it is necessary to increase the capacity of facilities beyond those required to serve the Customer's electrical requirement or to install a dedicated transformer or other equipment to protect the safety and adequacy of electric service provided to other customers, the Customer shall pay the estimated cost of the required transformer or other equipment above the estimated cost which Company would otherwise have normally incurred to serve the Customer's electrical requirement, in advance of receiving service under this Rider.

THIRD NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM")
(Page 4 of 4)

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

METERING REQUIREMENTS

Customer must furnish, install, own, and maintain a meter socket to measure 100% of the Customer's generator output and that is connected on the Customer's side of the delivery point. Company will furnish, install, own, and maintain a generation meter. Company will also furnish, install, own and maintain a bi-directional billing meter to measure the kWh delivered from Company to Customer and to measure kWh received from Customer by Company. The billing meter will be configured for demand and/or time-of-use measurement as required by the applicable rate. All metering shall be at a location that is approved by the Company. At Company's sole option, the generator meter requirement may be waived for customers served under a net metering rider on or before December 31, 2015.

TERM OF CONTRACT

Contracts shall be for a period not to exceed the term of the contract under which the customer currently receives electric service. There shall be a separate contract for each meter at each location.

GENERAL TERMS AND CONDITIONS

THIRD NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM") (Page 1 of 4)

AVAILABILITY

This rider is available in conjunction with the Company's Retail Electric Service Rates, for a Customer-Generator who applies for NEM service from May 17, 2019, through May 31, 2021. The customer's generating system must be manufactured, installed and operated in accordance with governmental and industry standards and must fully comform with the Company's current interconnection standards as approved by the Public Service Commission of South Carolina.

CHARACTER OF SERVICE

The applicable character of service is specific to the rate schedule that the customer receives service under.

RATE PER MONTH

The applicable rate per month shall be from the appropriate rate schedule as referenced in the availability section above. The monthly bill shall be determined as follows:

For electric service under a time-of-use rate schedule:

- The basic facilities charge shall be determined and billed as set forth in the applicable rate schedule as described in the Availability section above.
- Any demand charges shall be determined and billed as set forth in the applicable rate schedule as described in the Availability section above.
- 3. If a customer-generator's energy consumption exceeds the electricity provided by the customer-generator during a monthly billing period, the customer-generator shall be billed in kWh for the net electricity supplied by the Utility.

If a customer-generator's energy generation exceeds the electricity provided by the Utility during a monthly billing period, the customer-generator shall be credited for the excess kWh generated during that billing period.

Energy charges (or credits) shall be based on the rates in the applicable rate schedules as described in the availability section above. For on-peak energy, the customer's monthly usage amount in kilowatt-hours shall be reduced by the total of (a) any on-peak excess energy delivered to the Company in the current month plus (b) any accumulated on-peak excess energy balance remaining from prior months. Total on-peak energy in kilowatt-hours billed to customers shall never be less than zero. For off-peak energy, the customer's monthly usage shall be reduced by the total of (a) any off-peak excess energy delivered to the Company in the current month plus (b) any accumulated off-peak excess energy balance from the current month or prior months that was not used to reduce on-peak usage. Total off-peak energy in kilowatt-hours billed to customers shall also never be less than zero. For any billing month during which excess energy exceeds the customer's usage in total, producing a net credit, the respective energy charges for the billing month shall be zero. Any excess energy credits shall carry forward on the following month's bill by first applying excess on-peak kWh against on-peak kWh charges and excess off-peak kWh against off-peak kWh charges, then applying any remaining on-peak kWh against any remaining off-peak kWh charges. Credits shall not offset the basic facilities charge or the demand charge for the applicable rate schedule.

4. Excess energy not used in the current billing month to reduce billed kWh usage shall be accumulated and used to reduce usage in future months. For all affected billing statements rendered during November billing cycles, any accumulated excess energy not used to reduce billed kWh usage shall be paid to the customer-generator at the Company's avoided cost, zeroing out the customer generator's account of excess energy. The avoided cost is the off-peak winter energy credit as approved in the Company's Rate PR-1, Small Power Production and Cogeneration schedule.

THIRD NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM") (Page 2 of 4)

For electric service under a standard, non time-of-use rate schedule:

- The basic facilities charge shall be determined and billed as set forth in the applicable rate schedule as described in the Availability section above.
- Any demand charges shall be determined and billed as set forth in the applicable rate schedule as described in the Availability section above.
- 3. If a customer-generator's energy consumption exceeds the electricity provided by the customer-generator during a monthly billing period, the customer-generator shall be billed in kWh for the net electricity supplied by the Utility.

If a customer-generator's energy generation exceeds the electricity provided by the Utility during a monthly billing period, the customer-generator shall be credited for the excess kWh generated during that billing period.

Energy charges (or credits) shall be based on the rates in the applicable rate schedules as described in the availability section above. For purposes of calculating monthly energy, the customer's usage shall be reduced by the total of (a) any excess energy delivered to the Company in the current month plus (b) any accumulated excess energy balance remaining from prior months. Total energy in kilowatt-hours billed to customers shall never be less than zero. For any billing month during which excess energy exceeds the customer's usage in total, producing a net credit, the respective energy charges for the billing month shall be zero. Credits shall not offset the basic facilities charge or the demand charge for the applicable rate schedule.

4. Excess energy not used in the current billing month to reduce billed kWh usage shall be accumulated and used to reduce usage in future months. For all affected billing statements rendered during November billing cycles, any accumulated excess energy not used to reduce billed kWh usage shall be paid to the customer-generator at the Company's avoided cost, zeroing out the customer generator's account of excess energy. The avoided cost is the off-peak winter energy credit as approved in the Company's Rate PR-1, Small Power Production and Cogeneration schedule.

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge plus the demand charge, if any, as stated in the applicable rate.

- Customer-Generator means the owner, operator, lessee, or customer-generator lessee of an electric energy generation unit which:
 - (A) generates or discharges electricity from a Renewable Energy Resource, including an energy storage device configured to receive electrical charge solely from an onsite Renewable Energy Resource;
 - (B) has an electrical generating system with a capacity of
 - (i) not more than the lesser of one thousand kilowatts (1,000 kW AC) or one hundred percent (100%) of contract demand if a non-residential customer; or
 - (ii) not more than twenty kilowatts (20 kW AC) if a residential customer;
 - (C) is located on a single premises owned, operated, leased, or otherwise controlled by the customer;
 - (D) is interconnected and operates in parallel phase and synchronization with an electrical utility and complies with the applicable interconnection standards;
 - (E) is intended primarily to offset part or all of the customer-generator's own electrical energy requirements; and
 - (F) meets all applicable safety, performance, interconnection, and reliability standards established by the commission, the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the federal Energy Regulatory Commission, and any local moderning authorities.
- Renewable Energy Resource means solar photovoltaic and solar thermal resources, wind resources, hydroelectric resources, geothermal resources, tidal and wave energy resources, recycling resources, hydrogen fuel derived from renewable resources, combined heat and power derived from renewable resources, and biomass resources.

THIRD NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM") (Page 3 of 4)

- 3. Retail Electric Service Rates shall mean Rates 1, 2, 3, 5, 6, 7, 8, 9 (metered), 11, 12, 13, 14, 16, 20, 21, 21A, 22, 23, 24, and 28.
- 4. Excess energy delivered to the Company shall be defined as energy produced by the customer's renewable energy generating facility that exceeds the energy delivered by the Company during a given time period. This excess energy shall be used to reduce energy delivered and billed by the Company during the current or a future month, as provided in the Rate Per Month section above.
- 5. The On-Peak and Off-Peak periods shall be defined in the applicable time-of-use rate schedules.

- To qualify for this rider, the customer must first qualify for and be served on one of the rate schedules as described in the availability section above. The customer must also meet all other qualifications as outlined in the availability section above.
- All provisions of the applicable rate schedules described above including, but not limited to Billing Demand, Determination of On- and Off-Peak Hours, Adjustment for Fuel Costs, Demand Side Management Component, Pension Costs Component, Storm Damage Component, Sales and Franchise Tax, Payment Terms, and Special Provisions will apply to service supplied under this rider.
- 3. Customers electing service under this NEM Rider are eligible to remain on the Rider until May 31, 2029, or until such time as the customer elects to terminate service under the Rider, whichever occurs first. The rates set forth here are subject to Commission Order No. 2015-194 in Docket No. 2014-246-E. Eligibility for this rate will terminate as set forth in Order No. 2015-194. The value of distributed energy resource generation shall be computed using the methodology contained in Commission Order No. 2015-194 in Docket No. 2014-246-E and updated annually coincident in time with the Company's filling in the fuel clause. The value for the period May 2018- April 2019 is \$0.03264 per kWh.
- 4. Service on this NEM Rider will be closed to new participants as of June 1, 2021.
- When no contract demand level is available for a non-residential customer, connected load as determined by the Company shall be used as a proxy for contract demand when determining the capacity of the electrical generating system.
- 6. Customers who apply for NEM service after May 31, 2021, will receive service in accordance with the NEM tariff in effect at the time at which the customer requests NEM service.
- 7. Customers served under this rider are not eligible for the Company's Small Power Production, Cogeneration Rate PR1.
- 8. The customer must execute an application to interconnect generation and an interconnection agreement prior to receiving service under this rider.
- 9. The Company will retain ownership of Renewable Energy Credits ("REGs").
- 10. In the event the Company determines that it is necessary to increase the capacity of facilities beyond those required to serve the Customer's electrical requirement or to install a dedicated transformer or other equipment to protect the safety and adequacy of electric service provided to other customers, the Customer shall pay the estimated cost of the required transformer or other equipment above the estimated cost which Company would otherwise have normally incurred to serve the Customer's electrical requirement, in advance of receiving service under this Rider.

THIRD NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM") (Page 4 of 4)

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

METERING REQUIREMENTS

Customer must furnish, install, own, and maintain a meter socket to measure 100% of the Customer's generator output and that is connected on the Customer's side of the delivery point. Company will furnish, install, own, and maintain a generation meter. Company will also furnish, install, own and maintain a bi-directional billing meter to measure the kWh delivered from Company to Customer and to measure kWh received from Customer by Company. The billing meter will be configured for demand and/or time-of-use measurement as required by the applicable rate. All metering shall be at a location that is approved by the Company. At Company's sole option, the generator meter requirement may be waived for customers served under a net metering rider on or before December 31, 2015.

TERM OF CONTRACT

Contracts shall be for a period not to exceed the term of the contract under which the customer currently receives electric service. There shall be a separate contract for each meter at each location.

GENERAL TERMS AND CONDITIONS